

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to \$100,000

NCUA

*National Credit Union Administration
a U.S. Government Agency*

FINANCIAL HIGHLIGHTS MAY 31, 2003

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
May 31, 2003

Balance Sheet:

Other Receivables: Due From Credit Unions — of \$6.0 million represents the amount remaining of one percent deposit adjustments due from credit unions on April 14.

Interest Receivable — net decrease of \$27.4 million is due to a combination of \$20.3 million in accrued interest earned in May and payments of \$47.6 million received by the NCUSIF in May.

Prepaid & Deferred Charges — is \$.9 million for May. \$7.5 million was transferred to the operating fund to cover 62% of the agency's operating costs. May's actual operating costs were \$6.6 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building. The Region V building was paid off on April 30.

Provision for Credit Union Losses (Reserves) — of \$57.8 million includes new reserves of \$3.3 million that were added for May.

NCUSIF Equity — remained at 1.31% for May, based upon an insured share base of \$442.5 billion for December 31, 2002.

Statement of Revenue and Expense:

NCUSIF Total Operating Expense — of \$6.7 million includes \$113.8 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Insurance Loss — is \$3.3 million for May. \$1.5 million is an increase to the National Pool Reserve and \$1.8 million is for new reserves or reserve increases for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
MAY 31, 2003

ASSETS	MAY 2002	APRIL 2003	MAY 2003
Investments:			
U.S. Government Securities	\$5,267,319,324.89	\$5,729,748,104.16	\$5,765,091,618.54
Advances to Credit Unions:			
Capital Notes (NCUSIF Subordinated Notes)	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	5,286,425.62	9,651,152.61	6,010,862.46
Loans due to NCUSIF	0.00	0.00	1,501,419.24
Recoveries from Liq. CU	32,071,113.85	12,981,021.25	15,461,172.77
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Total Other Receivables	37,357,539.47	22,632,173.86	22,973,454.47
Cash	142,584.02	63,206.43	5,885.75
Interest Receivable	62,271,269.67	74,297,230.91	46,929,932.51
Prepaid & Deferred Charges	(5,149.77)	329,199.56	918,608.26
Leased Assets	496,595.44	1,212,910.74	1,178,712.52
Other	29,960,059.38	27,298,420.88	27,310,498.89
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TOTAL ASSETS	\$5,397,542,223.10	\$5,855,581,246.54	\$5,864,408,710.94
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$31,215,428.69	\$5,678,950.59	\$9,484,253.57
Other	15,547.23	2,165.28	8,925.43
Check Clearing Accounts	5,016.27	40,823.23	3,831.20
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	31,235,992.19	5,721,939.10	9,497,010.20
Provision for CU Losses (Reserves)	45,659,390.71	56,508,458.43	57,761,561.90
Lease Liabilities	481,493.21	1,135,927.33	1,135,927.33
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TOTAL LIABILITIES	\$77,376,876.11	\$63,366,324.86	\$68,394,499.43 1/
EQUITY			
CU Contributed Capital	\$4,039,674,484.58	\$4,430,941,766.36	\$4,430,929,615.98
Retained Earnings	1,280,490,862.41	1,361,273,155.32	1,365,084,595.53
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TOTAL EQUITY	\$5,320,165,346.99	\$5,792,214,921.68	\$5,796,014,211.51
TOTAL LIABILITIES & EQUITY	\$5,397,542,223.10	\$5,855,581,246.54	\$5,864,408,710.94
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending May 31, 2003

	MAY 02	APR 03	MAY 03
1. Investments/Total Assets	97.59%	97.85%	98.31%
2. Total Equity/Insured Shares	1.32%	1.31%	1.31%
3. Prov. for Losses/CU Capital	1.13%	1.28%	1.30%
4. Non-Earning/Total Assets	1.86%	1.68%	1.23%
5. Available Asset Ratio	1.28%	1.25%	1.25%

1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, and \$8.3 thousand in outstanding line of credit guarantees.

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING MAY 31, 2003

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	FY TO DATE 2003	FY TO DATE BUDGETED 2003	FY TO DATE 2002
Investment Income	\$13,704,839.72	\$14,100,000.00	\$71,779,329.69	\$73,100,000.00	\$91,272,945.26
Other Income	69,615.72	75,000.00	376,614.35	390,000.00	532,552.78
Total Income	13,774,455.44	14,175,000.00	72,155,944.04	73,490,000.00	91,805,498.04
EXPENSE					
Employee Pay	4,290,743.21	4,646,477.03	22,139,462.47	22,817,084.61	22,174,054.69
Employee Benefits	1,008,573.80	1,141,431.42	5,153,605.12	5,610,321.48	5,195,977.00
Employee Travel	573,167.21	660,211.55	2,234,807.86	3,301,057.73	2,456,103.71
Rent/Communications/Utilities	228,147.58	227,221.49	965,668.12	1,136,107.45	874,558.48
Administrative Costs	246,326.52	587,928.34	2,067,895.01	2,939,641.71	2,176,976.08
Contracted Services	234,433.42	350,523.95	901,890.06	1,752,619.73	1,042,482.49
Subtotal NCUA Operating Exp.	6,581,391.74	7,613,793.78	33,463,328.64	37,556,832.71	33,920,152.45
AMAC Expense	3,515.35	1,250.00	26,304.24	6,250.00	5,047.03
Training Expense	59,172.42	100,000.00	617,793.23	500,000.00	364,854.28
Leasing Expense	34,198.22	49,400.00	215,720.35	247,000.00	265,158.05
Other Insurance Expense	16,868.77	17,500.00	84,865.85	87,500.00	88,077.98
Total Operating Exp.	6,695,146.50	7,781,943.78	34,408,012.31	38,397,582.71	34,643,289.79
Insurance Loss	3,267,868.73	2,000,000.00	12,590,468.73	10,000,000.00	0.00
Total Expense	9,963,015.23	9,781,943.78	46,998,481.04	48,397,582.71	34,643,289.79
NET INCOME	\$3,811,440.21	\$4,393,056.22	\$25,157,463.00	\$25,092,417.29	\$57,162,208.25
Retained Earnings, Beginning of Year					
			\$1,339,927,132.53		\$1,223,328,654.16
Prior Year Adjustment					
			0.00		0.00
As Restated					
			1,339,927,132.53		1,223,328,654.16
Net Income					
			25,157,463.00		57,162,208.25
Dividends					
			1,365,084,595.53		1,280,490,862.41
			0.00		0.00
Retained Earnings, End of Year					
			\$1,365,084,595.53		\$1,280,490,862.41

Comparative Analysis of NCUSIF Ratios for May 31, 2003

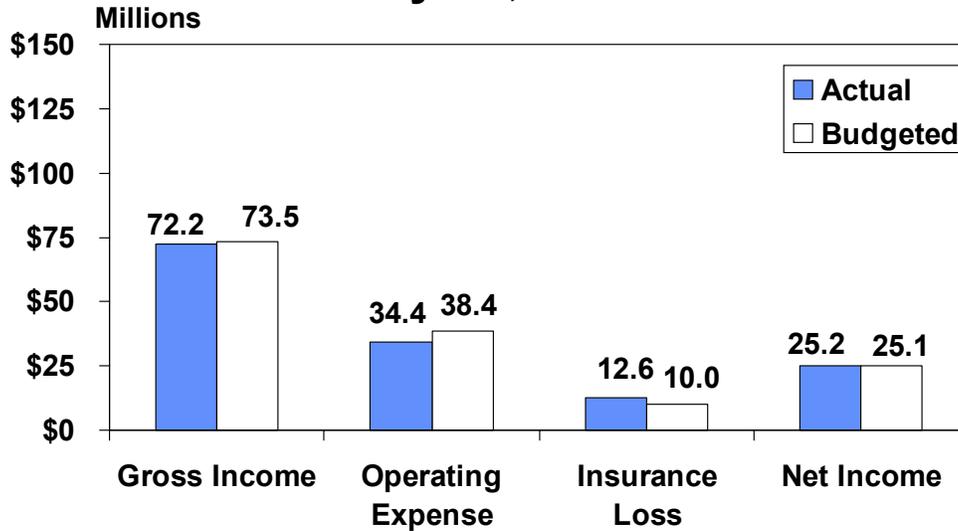
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR FYTD	CURRENT FYTD
1. Oper. Exp./Total Income	54.10%	48.61%	37.74%	47.69%
2. Ins. Loss/Total Income	18.14%	23.72%	0.00%	17.45%
3. Total Exp./Total Income	72.24%	72.33%	37.74%	65.13%
4. Net Income/Total Income	27.76%	27.67%	62.26%	34.87%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
May 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$94,022,243.90
Other income received	(1,124,804.89)
Cash paid for operating expenses	(48,361,087.33)
Net cash (paid) received for insurance losses	<u>13,430,445.09</u>
Net cash provided by operating activities	57,966,796.77
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(221,139,070.08)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>1,722,186.73</u>
Net cash provided by (used in) investing activities	(219,416,883.35)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	161,450,164.98
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	161,450,164.98
NET INCREASE (DECREASE) IN CASH	78.40
CASH, BEGINNING OF YEAR	5,807.35
CASH, ENDING May 31, 2003	<u><u>\$5,885.75</u></u>

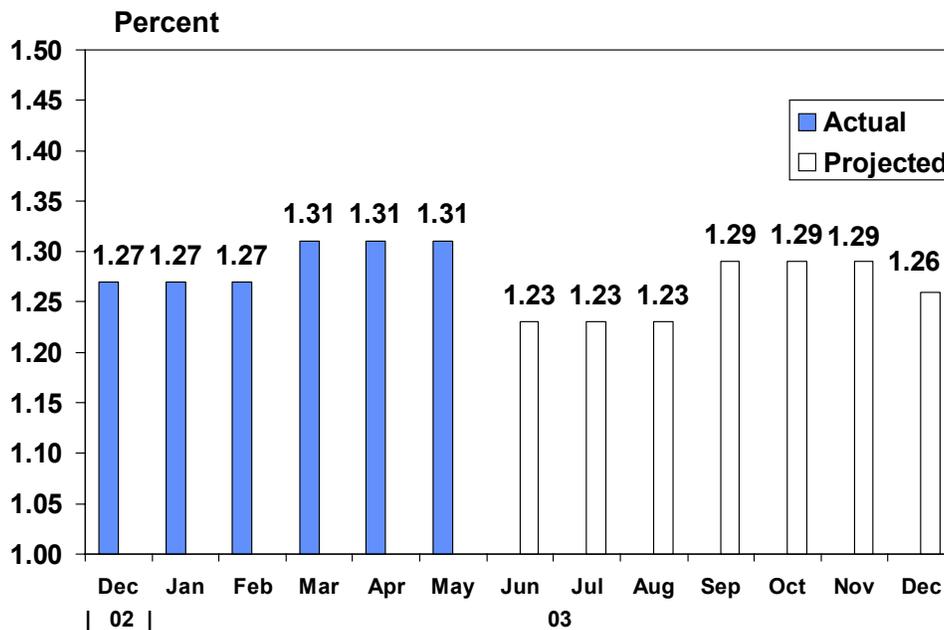
REVENUE AND EXPENSE

May 31, 2003



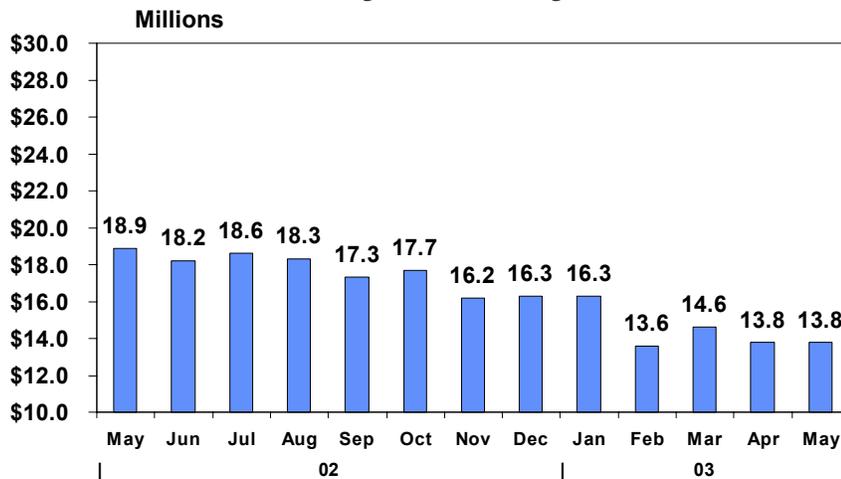
NCUSIF EQUITY RATIO

May 31, 2003



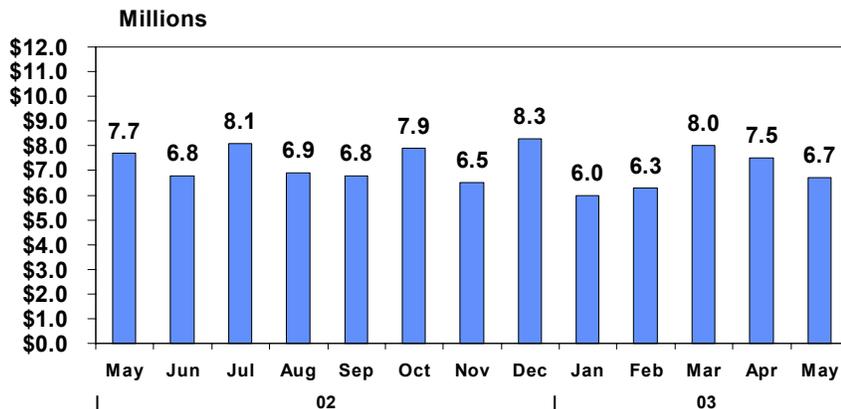
GROSS INCOME

May 02 – May 03



OPERATING EXPENSES

May 02 – May 03



INSURANCE LOSSES

May 02 – May 03

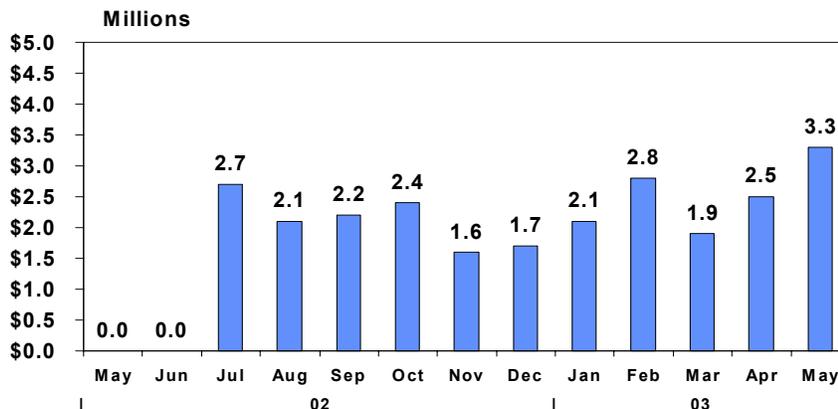


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

May 31, 2003

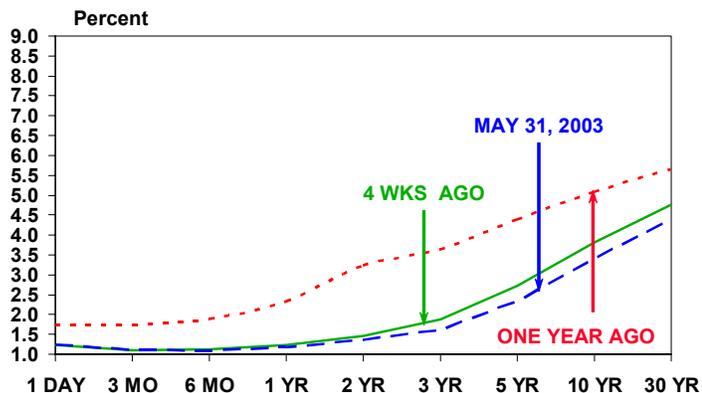
I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,466,037,000	\$1,466,037,000	\$0	100.0%	1.24%
U.S. Treasury Notes	\$4,299,054,619	\$4,361,875,000	\$62,820,381	101.5%	3.21%
TOTAL	\$5,765,091,619	\$5,827,912,000	\$62,820,381	101.1%	2.72%

II. INVESTMENT PORTFOLIO PERFORMANCE				
	Last Month	Current Month	CY To Date	CY03 Projections
Investment Yield	2.88%	2.76%	3.03%	3.00%
Investment Income	\$13,752,483	\$13,704,840	\$71,779,340	172 Million
Income Budgeted	\$14,100,000	\$14,100,000	\$73,100,000	172 Million
Income/Budgeted Ratio	97.5%	97.2%	98.2%	100.00%
Avg. Maturity in Days	345	332	343	

III. MONTHLY ACTIVITY				
Purchase	Type	Amount	Maturity	Yield
TOTAL		\$0		

IV. MATURITY SCHEDULE (par value in millions)	
3 months or less	2,066.0
3 months - 1 year	1,500.0
1 year - 2 years	2,100.0
2 years - 3 years	0.0
3 years - 4 years	0.0
TOTAL	5,666.0

TREASURY YIELD CURVE



MATURITY SCHEDULE

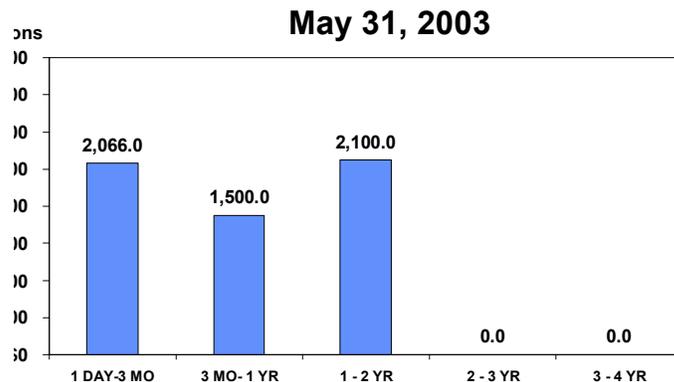


TABLE 5

INTEREST RATE COMPARISONS

May 31, 2003

INTEREST RATE COMPARISONS								
	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03
NCUSIF Yield	3.71%	3.51%	3.37%	3.40%	3.12%	3.01%	2.88%	2.76%
90 day T-Bill	1.50%	1.21%	1.19%	1.17%	1.19%	1.11%	1.11%	1.10%
1 year T-Bill	1.52%	1.56%	1.36%	1.36%	1.30%	1.24%	1.24%	1.17%
2 year T-Note	1.68%	2.06%	1.64%	1.73%	1.54%	1.50%	1.47%	1.35%
30 year T-Note	5.11%	5.04%	4.81%	4.87%	4.69%	4.81%	4.75%	4.39%

INTEREST RATE COMPARISONS
May 31, 2003

